

**Jocelyn.Boyd**

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**From:** Linda Stevenson <lks@comporium.net>  
**Sent:** Wednesday, October 09, 2013 8:48 AM  
**To:** Linda Stevenson  
**Subject:** Utilities, Inc/Tega Cay Water Service

October 8, 2013

The Honorable Nikki Haley  
Office of the Governor  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Governor Haley,

I reference Lisa Sparrow's email to you dated September 27, 2013. Though Ms. Sparrow only recently has begun to focus on the Tega Cay sewage spills, I have always been aware of them – including **the excessive number and negative impact on residents' health and wellness, environment and property values**. I have lived with these spills year after year since I moved here in 1995.

Ms. Sparrow introduces her letter by proudly stating that Utilities, Inc. generates 46 jobs in the entire state of South Carolina. Really, **only 46 jobs yet it owns and operates 144 systems in the state?** We understand that **regulatory agencies ORS, PSC, and DHEC spend many hours trying to solve Utilities, Inc. issues** - look at the PSC website to see some six different Utilities, Inc., water/sewer companies currently going for rate increases! Utilities, Inc. is winning this "money game" by taking as much as possible from the ratepayers across the states in which it operates. **Please, Governor, "Google" Utilities, Inc. and read the appalling case studies.**

Ms. Sparrow's level of frustration cannot match that of the **residents living with Utilities, Inc.'s multiple problems** which include (but are not limited to) billing, meter reading, lack of notification of sewage spills and drinking water shutoffs on a daily basis – layer onto these the need to question the purity of our drinking water, and fear of using the lake for recreation while we watch the value of our waterfront and neighboring homes diminish. *Utilities, Inc., you have owned these problems since 1991 and NOW you are frustrated and concerned? Where were your frustrations and concerns when I first testified to the PSC in 2006 with my*

***frustrations and concerns regarding Utilities, Inc.? Where were you when my basement was flooded with sewage?***

Ms. Sparrow's letter boldly touts repairs and maintenance over the past two years in Tega Cay – but **omits that Utilities, Inc. was required to upgrade in response to DHEC's 2009 and 2011 Consent Orders due to its multiple violations of the Pollution Control Act and Water Pollution Control Permits** - not due to its concerns for our welfare.

How did the Utilities, Inc. "state of the art technology released only earlier this year" work at Tega Place on September 1, 2013 when approximately 1,000 gallons of sewage spilled into Lake Wylie? ***Did you inform the parents of the children swimming in that cove while sewage poured next to their kids?*** You say your employees asked "people to leave the water" – really, is that how you think of your children? Did you clearly define "sanitary sewage overflow" to those children in terms that they could understand? Did you notify the other "people" living in the area? A notification to the community would have assured that NO people, children or adults (not just those in the water at the time) were swimming in sewage. **With 144 systems operating in SC, shouldn't Utilities, Inc. already have a more effective spill notification policy in place?**

Her letter notes "the complexity of the problems faced by the company...today." ***These problems existed in 1991 (when you were able to buy Tega Cay Water Service for only \$2.5 MM as a result of the developer's bankruptcy), and you have had 22 years to address these problems. You only invested \$300,000 over the ten-year period from 1996 to 2006, then under \$1MM over the four-year period from 2006 to 2010<sup>[1]</sup> – don't these miniscule investments overshadow the \$2MM that you boast about investing over the last two years in response to the DHEC consent order?*** You state that the "system will require ongoing attention in perpetuity" so doesn't an average of \$30,000 per year over a ten-year period constitute neglect? **Governor Haley, we do not deserve to be punished by the company's profit taking, underinvestment and neglect. We are now being forced to suffer for improvements that Utilities, Inc. should have been making to the system all along.** "The assertion" that Utilities, Inc. is "sitting on profits" rings true to my ears, especially considering the 11% rate of return granted at the 2012 PSC rate hearing, and only 2 years after the previous rate increase.

Ms. Sparrow reports that Utilities, Inc. has inspected the manholes, improved the lift stations, and performed regular maintenance and repairs. She also notes that "the system is not constructed in a way that allows either inspection of, or repairs to, a significant" portion due to the system being "situated below or near buildings and trees." ***If the system does not allow inspection or repairs, then how have you performed them? Tega Cay is known as "Tree City USA" -- what else did you expect when you bought the system? And exactly what buildings is your system under - much of your system is along the banks of the lake in a right-of-way that you access through the people's driveways (which you regularly damage, but do not properly repair).***

I was shocked to read Ms. Sparrow's comment that "clay pipe...ordinarily [is] a quality material that can withstand aging." Even we residents are aware that clogs, stoppages and root intrusion are imminent when dealing with clay piping. So has Utilities, Inc. root pruned on a regular basis? *You have never root pruned near my house. But even if you did prune, the roots would grow back until the pipes were replaced with newer PVC pipes or instilled with liner.*

It is sickening to read that Utilities, Inc. would not have reported approximately 75% of the Tega Cay sewage spills except that it had "agreed to provide this information to DHEC by consent;" this sounds like the company is behaving like a concerned citizen. **Governor, Utilities, Inc. was REQUIRED to report all sewage spills per its two DHEC consent orders.** And spill measurement is an art, not a science, so when Utilities, Inc. reports as little as ¼ gallon (really, 16 ounces?), I am not a believer. **In fact, I don't see any spills listed on the DHEC sanitary sewage overflow reports for 16 ounces – although I do see numerous spills for hundreds, thousands and even hundreds of thousands of gallons.**

**Eliminating the unsightly, unkempt, smelly Utilities, Inc. wastewater treatment plants from the Tega Cay Golf Course and Lake Wylie shores would have prevented the 100,000-gallon spills just this year that were caused by the fact that the plant could not handle the amount of sewage coming into the plant (according to the letter that residents received from Utilities, Inc.).** As far as the cost of replacement being too costly for ratepayers – let me remind Ms. Sparrow that the customers do not own the company. Utilities, Inc. owns it and is required to maintain the system and provide good customer service at a reasonable price.

Does Utilities, Inc. REALLY have a "commitment to transparency?" *Did you receive the picture showing sewage spewing out of lift station #3 from 2006 – how and when did you address it? Did you get the picture of lift station #3 in 2011 showing the electric wires covered with a ziplock bag, or electrical connections 'secured' with a black rubber glove, or one of the many other photographs showing poor workmanship and neglect of the Utilities, Inc. system presented at the 2011 PSC Rate Hearings? Is this your normal repair standard? **How do these pictures fit into your state-of-the-art technology investments?***

Ms. Sparrow quotes that state-regulated agencies have failed the citizens of South Carolina; our city council's letter only states that they have failed the citizens of Tega Cay (and isn't that proved in this letter?) *Ms. Sparrow, please keep the facts straight!*

She also notes that Utilities, Inc. recently created an Advisory Council, but omits that DHEC facilitated the formation of the Tega Cay Water Citizen Advisory Council in 2010. We citizens experienced minimal benefit from those meetings. For example, in our first meeting with the company on November 29, 2010, Patrick Flynn of Utilities, Inc. was generally unresponsive and cold to citizen questions and comments, often

answering with one-word answers or stares, or referring questions to DHEC. Ms. Sparrow cannot expect us to again sit and waste our time with her newly formed advisory council.

Ms. Sparrow tells us these problems are not unique to Tega Cay - but we live with these problems on a daily basis, and Utilities, Inc. has not satisfactorily addressed them. We believe the multiple rate increases you have received since you purchased this company should have been sufficient to pay for identifying and upgrading problematic sections of the system. We believe that ongoing improvements would have prevented the sewage spills we continuously deal with.

Governor, we have had it with Utilities, Inc.'s methods of maintaining this system and have no trust that it will change in the future. ENOUGH IS ENOUGH! **Please help us rid ourselves of this problem, Utilities, Inc.**

Most sincerely,

Linda K Stevenson

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[1] Source: "Utilities, Inc., Tega Cay Corrective Action Plan, Patrick Flynn and Kevin Strickland, 04/12/2011, Tega Cay, SC."